

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UG 518

In the Matter of

NORTHWEST NATURAL GAS  
COMPANY dba NW NATURAL,

Advice No. 24-19A, Request for  
Amortization of Certain Deferred Accounts  
Related to Gas Costs, Schedules P, 162,  
164.

ORDER

**DISPOSITION: STAFF'S RECOMMENDATION ADOPTED**

At its Special Public Meeting on October 29, 2024, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

BY THE COMMISSION:



**Alison Lackey**  
Chief Administrative Law Judge



A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

ITEM NO. RA2

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
SPECIAL PUBLIC MEETING DATE: October 29, 2024**

**REGULAR**   X   **CONSENT**        **EFFECTIVE DATE**       November 1, 2024      

**DATE:** October 21, 2024

**TO:** Public Utility Commission

**FROM:** Anna Kim

**THROUGH:** Caroline Moore and Scott Gibbens **SIGNED**

**SUBJECT:** NORTHWEST NATURAL:  
(Docket No. UG 518/Advice No. 24-19A)  
Reflects changes in the cost of purchased gas, amortization of deferred gas costs, and the combined changes associated with the annual Purchased Gas Adjustment (PGA) filing.

**STAFF RECOMMENDATION:**

Staff recommends that Northwest Natural Gas Company's (NW Natural, NWN, or Company) Advice No. 24-19A, which includes the Company's 2024 Purchased Gas Adjustment (PGA) tariff sheet updates, be approved for service rendered on and after November 1, 2024.

**DISCUSSION:**

Issue

Whether the Public Utility Commission of Oregon (Commission) should approve NW Natural's 2024 annual PGA as reflected in its Advice No. 24-19A.

Applicable Rule or Law

ORS 757.205 requires public utilities to file all rates, tolls, and charges with the Commission. ORS 757.210 provides that the Commission may approve tariff changes if they are fair, just, and reasonable. Filings that make any change in rates, tolls, charges, rules, or regulations must be filed with the Commission at least 30 days before the effective date of the changes.

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ORS 757.259(5) states that unless subject to an automatic adjustment clause, amounts deferred under ORS 757.259 shall be allowed in rates only to the extent authorized by the Commission in a proceeding under ORS 757.210 to change rates, and upon review of the utility's earnings at the time of application, to amortize the deferral. The Commission may require that amortization of deferred amounts be subject to refund. The Commission's final determination on the amount of deferrals allowable in the rates of the utility is subject to a finding by the Commission that the amount was prudently incurred by the utility.

ORS 757.259(6) states that the overall average rate impact of the amortizations authorized under this section in any one year may not exceed three percent of the utility's gross revenues for the preceding calendar year. ORS 757.259(7) allows the Commission to consider an overall average rate impact greater than that specified in subsection (6) for natural gas commodity and pipeline transportation costs incurred by a natural gas utility, if the Commission finds that allowing a higher amortization rate is reasonable under the circumstances.

OAR 860-022-0025 requires that revised tariff filings include statements showing the change in rates, the number of customers affected and resulting change in annual revenue, and the reasons for the tariff revision.

OAR 860-022-0030 requires that tariff filings which result in increased rates include statements showing the number of customers affected, the annual revenue under existing schedules, the annual revenue under proposed schedules, the average monthly bills under existing and proposed schedules, and the reasons supporting the proposed tariff.

The PGA mechanism was originally established by Order No. 89-1046 to minimize the frequency of gas cost-related rate changes and the fluctuation of rate levels pursuant to ORS 757.259(2)(e). Since the mechanism's creation in 1989, the Commission has issued a series of orders concerning PGA filings through open-docket UM 1286.<sup>1</sup> Order No. 18-144 is the most recent of these orders and revises the Commission's procedures and requirements of the Natural Gas Portfolio Development Guidelines in Docket No. UM 1286 by adding language concerning review and approval of long-term hedging instruments in a local distribution company's (LDC) natural gas portfolio. No changes were made to the PGA Filing Guidelines previously established in Order No. 14-238.

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<sup>1</sup> Order No. 08-504 established the form of the PGA Mechanism. PGA Guidelines were acknowledged by the Commission in Docket No. UM 1286, Order No. 09-248, on June 23, 2009. The Guidelines in Docket No. UM 1286 have been modified four different times since they were first acknowledged by the Commission, in Order No. 10-197, in Order No. 11-196, in Order No. 14-238, and in Order No. 18-144.

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On December 16, 2021, the Department of Environmental Quality (DEQ) adopted the Oregon Climate Protection Program (CPP) rules, which set a cap on greenhouse gas emissions from transportation fuels and natural gas. These rules were invalidated in December 2023 by the Oregon Court of Appeals following challenges by multiple parties.

### Analysis

On July 31, 2024, NW Natural submitted Advice No. 24-19, which constitutes its annual PGA filing (Initial 2024 PGA Filing). On September 12, 2024, NW Natural filed a supplement to its initial filing with updated gas costs and tariff sheets, Advice No. 24-19A (Supplemental 2024 PGA Filing). In aggregate, these filings are commonly referred to as the 2024 PGA Filing. The 2024 PGA Filing is comprised of two parts: a forward-looking part for the 2024–2025 Gas Year (Projected Purchased Gas Cost) and a backward-looking part for the 2023–2024 Gas Year (True-Up).

In 2023–2024, prices came in lower than expected: \$2.50 in 2023 and \$2.30 in 2024 to date—much lower than the forecasted \$3.24/MMBtu from the 2023 PGA. This time last year, the EIA forecasted a Henry Hub price of \$2.58/MMBtu for 2023 and \$3.24/MMBtu for 2024.

Several factors led to decreased natural gas prices:

- Winters were mild, reducing demand. A milder winter 2023 and fall 2024 resulted in slightly decreased demand and lower prices. However, in general, the EIA expects relatively little change in energy bills from last winter to this winter as lower prices will mostly offset colder weather for winter 2024.
- Production is high and increasing. For 2024 as a whole, production is expected to average 103 Bcf/d (similar to 2023), and then rise to a new record of 105 Bcf/d in 2025.
- Storage is full. Storage inventories were built up above the five-year average which resulted in less gas injected this past injection season (April-October); forecasted working inventories by the end of October are expected to be the most in U.S. storage since November 2016.
- A healthy GDP growth and inflation rate have increased demand for production inputs.

In 2025 prices are expected to increase from 2024 actuals. The EIA forecasts an average \$3.10 in 2025, which is higher than the current average for 2024, but lower than last year's forecast for 2024.

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- The EIA forecasts Henry Hub to average \$3.10 in 2025. This is compared to the lower historic averages of \$2.50 in 2023 and \$2.30 in 2024 to date.
- Power production, industrial processes, and LNG exports are key drivers of increased demand and price expected in 2025.
- LNG exports are expected to hit new records in 2025, which will increase total demand as new export terminals crank up operations and tap into the growing global use of natural gas. In contrast, demand was driven by domestic consumption in 2024.
- Prices along the west coast remain relatively high in contrast to gas purchased at AECO. Utilities who rely in part on west coast pipelines may see higher prices than others.

For more information, please see RA1 - 2024 PGA Overview.

The Projected Purchased Gas Cost forecasts the costs of natural gas for the upcoming gas year (i.e., November 1, 2024 to October 31, 2025) and results in the new rates set forth in Schedule P.<sup>2</sup> The True-Up of the 2023–2024 Gas Year trues up the costs of natural gas in the previous gas year (November 1, 2023 to October 31, 2024) by comparing the amount collected from customers in that year with the actual costs incurred by the Company in the same year.<sup>3</sup> Any over- or under-collection from customers in the 2023–2024 Gas Year, together with any over- or under-collection from previous years,<sup>4</sup> is either given back (in the case of over-collection) or surcharged (in the case of under-collection) to customers in the upcoming gas year after sharing. The True-Up of the 2023–2024 Gas Year results in the new rates set forth in Schedule 162 and Schedule 164.<sup>5</sup>

*Projected Purchased Gas Cost for the 2024–2025 Gas Year (Rate Schedule P)*

The Projected Purchased Gas Cost comprises two rate components: 1) the commodity component rate, and 2) the capacity or demand component rate. The rates for these components are represented in Table 1 on a \$ per therm basis.

<sup>2</sup> Schedule P is titled “Purchased Gas Cost Adjustments.”

<sup>3</sup> The 2023–2024 Gas Year began November 1, 2023, and concludes October 31, 2024. However, per page 10 of Appendix A to Order No. 14-238 in Docket No. UM 1286 (See: <http://apps.puc.state.or.us/orders/2014ords/14-238.pdf>), all deferrals to be amortized into rates will be based on June deferral balances plus interest for July–October, and the deferrals that occur after June will be carried forward to the next PGA period.

<sup>4</sup> Any over-collection or under-collection from previous years is because actual volumetric sales of natural gas will always be different from forecasted volumetric sales. Since amortizations are intended to be recovered in volumetric forecasted sales, a remaining balance will always be present.

<sup>5</sup> Schedule 162 is titled “Temporary (Technical) Adjustments to Rates,” and Schedule 164 is titled “Purchased Gas Cost Adjustment to Rates.”

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**Table 1: Projected Purchased Gas Cost for 2024–2025<sup>6</sup>**  
 (\$/Therm or as noted otherwise) - (Red) indicates negative numbers.

Item	Current Rate	Proposed Rate	Change
Commodity	\$0.44732	\$0.43366	(\$0.01366)
Demand	\$0.10025	\$0.10274	\$0.00249
<b>Total Gas Cost</b>	<b>\$0.54757</b>	<b>\$0.53640</b>	<b>(\$0.01117)</b>

The commodity component of the Weighted Average Cost of Gas (WACOG) proposed for the 2024–2025 Gas Year is decreasing by 0.01117 per therm, a decrease of two percent from the previous PGA gas year, as shown in Table 1. Last year, wholesale natural gas prices were predicted to decline. As stated above, gas prices are predicted to continue to decline from the last year's prediction.

The proposed demand component reflects an increase of approximately \$0.00249 per therm, an increase of 2.5 percent from the previous PGA gas year.

#### *Sharing Election*

NW Natural again elects 90/10 sharing.<sup>7</sup>

#### *Filing and Portfolio Guidelines*

NW Natural's 2024 PGA filing meets the PGA Filing Guidelines and the Natural Gas Portfolio Guidelines. NW Natural has demonstrated its adherence to these Guidelines with regard to natural gas supplies and financial hedges. Staff's conclusions are supported by the Company's comprehensive work papers and by review and discussion as part of the quarterly PGA meetings.

Staff reviewed NW Natural's forecasted commodity and demand costs to determine whether the Company complied with the Commission's Natural Gas Portfolio Development Guidelines (Portfolio Guidelines). Accepted "best practices" for the purchase of natural gas supply by a local distribution company (LDC) results in a portfolio that balances the objectives of reliability, cost control, and managing price volatility using diversity, flexibility, and balance in a LDC's gas portfolio. The Portfolio Guidelines implement these "best practices" for Oregon LDCs. The Portfolio Guidelines also require each gas utility to include certain information related to its gas supply

<sup>6</sup> Addressed in UG 518 Compliance Filing, work paper "4 NWN 2024-25 PGA Rate Development\_September Filing\_Staff\_updated", sheet: Rates in detail.

<sup>7</sup> Addressed in Schedule P, P-5, Section 3.

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portfolio with its annual PGA filing. This information assists the Commission in determining the prudence of the LDC's costs.

NW Natural's portfolio preparation and planning process meets the standards in Section III of the Portfolio Guidelines related to portfolio planning, as do NW Natural's physical gas contracts and financial transactions relating to natural gas pricing. NW Natural has also demonstrated its adherence to the Portfolio Guidelines with regard to natural gas supplies and financial hedges. In addition, the Company has provided all the information called for in Section IV (Information and Work Papers), and Section V (Supporting Data and Analysis) of the Portfolio Guidelines.

*True-Up of the 2023-2024 Gas Year (Schedule 162)*

**Table 2: True-Up of the 2023-2024 Gas Year<sup>8</sup>**  
 (\$/Therm or as noted otherwise) - (Red) indicates negative numbers.

Item	Current Rate	Proposed Rate	Change
Commodity Amortization <sup>9</sup>	\$0.00407	(\$0.04052)	(\$0.04459)
Demand Amortization <sup>10</sup>	(\$0.00379)	\$0.00626	\$0.01005
<b>Total Amortization</b>	<b>\$0.00028</b>	<b>(\$0.03426)</b>	<b>(\$0.03454)</b>

There is currently a surcharge of \$0.00407 per therm for commodity amortization costs which resulted in over-collection. In order to return over-collections from the prior PGA gas year, the Company proposes a rebate of \$0.04052 per therm.

For demand amortization, the current rate is a rebate at \$0.00379 per therm to customers (except Interruptible customers). For the next year the Company proposes a surcharge of \$0.00626 per therm.

Combined, the amortizations are crediting \$0.03454/therm.

The percentage changes in Table 3 include the change in revenues related to the gas commodity portion of the Company's gross revenues for the 2024 PGA gas year based on projected customer usage and differs from the three percent calculation.

<sup>8</sup> Addressed in UG 518 Compliance Filing, work paper "4 NWN 2024-25 PGA Rate Development\_September Filing\_Staff\_updated", sheets: Rates in Detail and Temporaries.

<sup>9</sup> These figures are for Weighted Average Cost of Gas (WACOG) Deferral only.

<sup>10</sup> These figures are for Firm Demand Deferral only.

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**Table 3: Overall Commodity and Related Schedule Revenue and Rate Impact<sup>11</sup>**  
 (\$ or as noted otherwise) - (Red) indicates negative numbers.

Schedule	Description	Total \$ Revenues at Current Rates	Revenue \$ Increase / (Decrease)	Change %
2	Residential Sales	\$259,449,558	(\$34,661,246)	-13.36%
3C	Small Commercial Firm Sales	\$95,221,648	(\$9,095,266)	-9.55%
3I	Small Industrial Firm Sales	\$3,168,196	(\$211,550)	-6.68%
27	Residential Heating Dry Out	\$439,408	(\$48,679)	-11.08%
31CFS	Mid-size Commercial Firm Sales	\$12,416,061	(\$1,033,513)	-8.32%
31CFT	Commercial Firm Transportation	\$59,040	(\$35,853)	-60.73%
31IFS	Mid-size Industrial Firm Sales	\$6,946,604	(\$418,439)	-6.02%
31IFT	Industrial Firm Transportation	\$9,056	(\$5,793)	-63.97%
32CFS	Large Commercial Firm Sales	\$28,207,511	(\$1,718,185)	-6.09%
32IFS	Large Industrial Firm Sales	\$13,346,667	(\$694,770)	-5.21%
32CFT	Large Commercial Firm Transportation	\$47,730	(\$34,924)	-73.17%
32IFT	Large Industrial Firm Transportation	\$510,953	(\$433,855)	-84.91%
32CIS	Commercial Interruptible Sales	\$12,507,146	(\$918,572)	-7.34%
32IIS	Industrial Interruptible Sales	\$14,547,148	(\$1,033,451)	-7.10%
32CIT	Large Commercial Interruptible Transportation	\$36,622	(\$33,791)	-92.27%
32IIT	Large Industrial Interruptible Transportation	\$757,794	(\$759,290)	-100.20%
33	High Volume Non-Residential	\$0	\$0	N/A
SC	Special Contracts	\$103,384	(\$215,969)	N/A
<b>Total</b>		<b>\$447,774,526</b>	<b>(\$51,353,146)</b>	<b>-11.47%</b>

Note that Table 3 addresses the aggregate impact of the PGA and associated dockets, while Table 4 addresses only the Company's 2024 PGA.

<sup>11</sup> Addressed in work paper: "4 NWN 2024-25 PGA Rate Development\_September Filing\_Staff\_updated", sheet: Attach A.



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**Table 4: PGA ONLY Revenue and Bill Impact<sup>12</sup>**  
 (\$ or as noted otherwise) - (Red) indicates negative numbers.

Schedule	Description	Total \$ Revenues at Current Rates	Revenue \$ Increase / (Decrease)	Change %
2	Residential Sales	\$231,773,020	(\$19,689,178)	-8.50%
3C	Small Commercial Firm Sales	\$97,856,274	(\$8,312,916)	-8.50%
3I	Small Industrial Firm Sales	\$2,796,083	(\$237,528)	-8.50%
27	Residential Heating Dry Out	\$406,906	(\$34,567)	-8.50%
31CFS	Mid-size Commercial Firm Sales	\$12,230,846	(\$1,039,014)	-8.50%
31CFT	Commercial Firm Transportation	NA	NA	NA
31IFS	Mid-size Industrial Firm Sales	\$6,211,688	(\$527,684)	-8.50%
31IFT	Industrial Firm Transportation	NA	NA	NA
32CFS	Large Commercial Firm Sales	\$25,250,355	(\$2,145,024)	-8.50%
32IFS	Large Industrial Firm Sales	\$12,115,853	(\$1,029,245)	-8.50%
32CFT	Large Commercial Firm Transportation	NA	NA	NA
32IFT	Large Industrial Firm Transportation	NA	NA	NA
32CIS	Commercial Interruptible Sales	\$11,153,206	(\$1,265,510)	- 11.35%
32IIS	Industrial Interruptible Sales	\$13,012,363	(\$1,476,461)	- 11.35%
32CIT	Large Commercial Interruptible Transport	NA	NA	NA
32IIT	Large Industrial Interruptible Transport	NA	NA	NA
33	High Volume Non-Residential	NA	NA	NA
SC	Special Contracts	NA	NA	NA
<b>Overall PGA Only</b>		<b>\$412,806,594</b>	<b>(\$35,757,126)</b>	<b>-8.66%</b>

Table 4 shows the percentage rate changes when only considering the commodity costs. The overall decrease for these costs is 8.66 percent.

Table 5 below shows residential bill impacts assuming the PGA and other rate changes.

<sup>12</sup> Addressed in work paper: "4 NWN 2024-25 PGA Rate Development\_September Filing\_Staff\_updated", sheet: Attach B.

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**Table 5: 2024–2025 PGA**  
 Proposed Rate & Bill Increases  
 Residential Bill Impacts - (Red) indicates negative numbers.

Residential Bill Impacts						
Rate Schedule	Average Therms	Customer Charge \$	Current Monthly Bill \$	Proposed Monthly Bill \$	Change Monthly Bill \$	% Change Monthly Bill
<b>January</b>						
<b>2R</b>	106	\$8.00	\$145.87	\$137.15	(\$8.72)	-5.98%
<b>Annual / Monthly</b>						
<b>2R</b>	55	\$8.00	\$79.24	\$74.73	(\$4.51)	-5.69%

#### *Three Percent Test*

Pursuant to ORS 757.259(6), ORS 757.259(7), and OAR 860-027-0300, the annual average rate impact of the amortizations authorized under the statutes may not exceed three percent of the natural gas utility's gross revenues for the preceding calendar year unless the Commission finds that allowing a higher amortization rate is reasonable under the circumstances.

As shown on Table 3 of this memo, the resulting annual average rate impact from the PGA amortization and 15 other filings<sup>13</sup> on overall rates is an 11.5 percent decrease when compared to the Company's total gross revenues, which is below the three percent amortization limitation specified in ORS 757.259(6).<sup>14</sup>

#### Conclusion

NW Natural's 2024 PGA Filing and other related advice filings reflect a revenue decrease of \$51.35 million, effective November 1, 2024, due to gas costs and amortization of previous deferrals.

With all related changes reflective of Table 3, effective November 1, 2024, the monthly bill of a residential customer using an average of 55 therms per month will decrease by \$4.51, or 5.7 percent, from \$79.24 to \$74.73.

The Company has reviewed this memo and agrees with its contents.

<sup>13</sup> The 15 additional filings with rate impacts this year are UG 503 through UG 517.

<sup>14</sup> Addressed in work paper: "4 NWN 2024-25 PGA Rate Development\_September Filing\_Staff\_updated", sheet: Attach B.

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**PROPOSED COMMISSION MOTION:**

Approve NW Natural's Advice No. 24-19A, which includes the Company's 2024 annual PGA tariff sheet updates, for service rendered on and after November 1, 2024.

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**Attachment A: NW Natural Gas 2024 PGA and Related Dockets**  
 Incremental Revenue Change by Customer Rate Schedule – (Red) indicates negative numbers.

Customer Rate Schedule	Description	Gas Costs and Adjustment Schedule Revenues \$ at Current Rates	Gas Costs and Adjustment Revenues \$ at Proposed Rates	Incremental Change in \$ Revenue	% Change by Rate Schedule	% Contribution to Total Incremental Change
2	Residential Sales	\$259,449,558	\$224,788,312	(\$34,661,246)	-13%	67%
3C	Small Commercial Firm Sales	\$95,221,648	\$86,126,382	(\$9,095,266)	-10%	18%
3I	Small Industrial Firm Sales	\$3,168,196	\$2,956,646	(\$211,550)	-7%	0%
27	Residential Heating Dry Out	\$439,408	\$390,729	(\$48,679)	-11%	0%
31CFS	Mid-size Commercial Firm Sales	\$12,416,061	\$11,382,548	(\$1,033,513)	-8%	2%
31CFT	Commercial Firm Transportation	\$59,040	\$23,187	(\$35,853)	-61%	0%
31IFS	Mid-size Industrial Firm Sales	\$6,946,604	\$6,528,165	(\$418,439)	-6%	1%
31IFT	Industrial Firm Transportation	\$9,056	\$3,263	(\$5,793)	-64%	0%
32CFS	Large Commercial Firm Sales	\$28,207,511	\$26,489,326	(\$1,718,185)	-6%	3%
32IFS	Large Industrial Firm Sales	\$13,346,667	\$12,651,897	(\$694,770)	-5%	1%
32CFT	Large Commercial Firm Transportation	\$47,730	\$12,807	(\$34,924)	-73%	0%
32IFT	Large Industrial Firm Transportation	\$510,953	\$77,097	(\$433,855)	-85%	1%
32CIS	Commercial Interruptible Sales	\$12,507,146	\$11,588,574	(\$918,572)	-7%	2%
32IIS	Industrial Interruptible Sales	\$14,547,148	\$13,513,697	(\$1,033,451)	-7%	2%
32CIT	Large Commercial Interruptible Transportation	\$36,622	\$2,831	(\$33,791)	-92%	0%

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Customer Rate Schedule	Description	Gas Costs and Adjustment Schedule Revenues \$ at Current Rates	Gas Costs and Adjustment Revenues \$ at Proposed Rates	Incremental Change in \$ Revenue	% Change by Rate Schedule	% Contribution to Total Incremental Change
32IIT	Large Industrial Interruptible Transportation	\$757,794	(\$1,497)	(\$759,290)	NA	1%
33	High Volume Non-Residential	\$0	\$0	\$0	N/A	0%
SC	Special Contracts	\$103,384	(\$112,585)	(\$215,969)	N/A	0%
		<b>\$447,774,526</b>	<b>\$396,421,380</b>	<b>(\$51,353,146)</b>	<b>-11%</b>	<b>100%</b>

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**Attachment B: NW Natural Gas 2024 PGA and Related Dockets**

Incremental Revenue Change by Adjustment Schedule – (Red) indicates negative numbers.

Schedule	Description	Gas Cost & Adjustment Schedule Total Revenue at Current Rates	Gas Cost & Adjustment Schedule Total Revenue at Proposed Rates	Total Incremental Change in Revenue	% Change by Rate Schedule	% Contribution to Total Incremental Change
P	PGA Forecast	\$412,418,970	\$403,797,027	(\$8,621,944)	-2%	17%
162	PGA Gas Cost Differences	\$387,623	(\$26,747,559)	(\$27,135,183)	NA	53%
172	Intervenor Funding	\$480,695	\$524,180	\$43,485	9%	0%
180	TSA Security Directive (O&M)	\$1,668,892	\$0	(\$1,668,892)	-100%	3%
181	Oregon Regulatory Fee	\$381,988	\$255,625	(\$126,363)	-33%	0%
183	SRRM Adjustment	\$9,636,644	\$10,198,198	\$561,554	6%	-1%
188	Industrial DSM	\$6,370,616	\$8,174,369	\$1,803,753	28%	-4%
190	Decoupling	(\$6,074,435)	(\$10,058,840)	(\$3,984,406)	66%	8%
195	WARM	(\$2,775,125)	\$2,835,012	\$5,610,137	-202%	-11%
177	CAT Deferral & Incremental	\$514,005	\$262,624	(\$251,380)	-49%	0%
168	Curtailement and Entitlement Revenue	(\$847,490)	(\$1,892,963)	(\$1,045,473)	-123%	2%
178	Regulatory Rate Adjustment	\$31,320	(\$818,539)	(\$849,859)	NA	2%
166	Residential Rate Mitigation	\$6,037,056	\$740,354	(\$5,296,702)	-88%	10%
171	RNG Transport Allocation	(\$311,745)	\$415,483	\$727,228	NA	-1%
173	COVID	\$14,404,945	\$1,317,498	(\$13,087,447)	-91%	25%
189	TSA Security Directive (Cost of Service)	\$909,158	\$1,627,445	\$718,287	79%	-1%
187	Mist Recall	\$0	\$435,534	\$435,534	NA	-1%

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Schedule	Description	Gas Cost & Adjustment Schedule Total Revenue at Current Rates	Gas Cost & Adjustment Schedule Total Revenue at Proposed Rates	Total Incremental Change in Revenue	% Change by Rate Schedule	% Contribution to Total Incremental Change
198	RNG Adj Mechanism	\$4,541,407	\$5,355,934	\$814,526	18%	-2%
	<b>Overall</b>	<b>\$447,774,526</b>	<b>\$396,421,380</b>	<b>(\$51,353,146)</b>	<b>-11%</b>	<b>100%</b>

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**Attachment C: NW Natural Gas 2024–2025 PGA Three Percent Test**  
 (Red) indicates negative numbers.

	Surcharge \$	Credit \$
<b><u>Non-Gas Amortizations</u></b>		
WARM	\$2,835,014	
Oregon Regulatory Fee	\$255,578	
CAT Incremental	\$264,203	
Net Curtailment and Entitlement		(\$1,894,717)
RNG Transport Allocation	\$416,248	
COVID	\$1,316,660	
Rate Mitigation	\$738,244	
TSA Cost of Service	\$1,627,367	
TSA O&M	\$220,910	
Residual Balances	\$0	(\$37,152)
Lincoln City Sale	\$0	(\$999,738)
Total	\$7,674,224	(\$2,931,607)
<b>Summary</b>		<b>\$</b>
Net Proposed Amortizations (subject to 3% test)		\$4,742,617
Utility Gross Revenues (2021)		\$975,829,919
3% of Utility Gross Revenues		\$29,274,898
<b>Allowed Amortization</b>		<b>\$4,742,617</b>
<b>Allowed Amortization as % of Gross Revenue</b>		<b>0.49%</b>



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**Attachment D: 2024–2025 PGA**

Proposed Rate & Bill Increases by Class of Service - (Red) indicates negative numbers.

		Rate Impacts <sup>15</sup>			
Class of Service	Rate Schedule	Current Rate \$ per Therm	Proposed Rate \$ per Therm	Change Rate \$ per Therm	% Change Rate per Therm
<b>Residential</b>					
NW Natural	2R	\$1.29519	\$1.21326	(\$0.08193)	-6.3%
<b>Commercial</b>					
NW Natural	3C	\$1.08753	\$1.03661	(\$0.05092)	-4.7%
<b>Industrial</b>					
NW Natural	311SF	\$0.72799	\$0.68859	(\$0.03939)	-5.4%
<b>Interruptible</b>					
NW Natural	32ISI	\$0.57261	\$0.53555	(\$0.03705)	-6.5%

<sup>15</sup> The residential rates illustrated above do not include pass-through charges included on customer bills that utilities are required to collect and distribute to the appropriate third parties, such as for franchise fees or the Public Purposes Charge.

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Proposed Rate & Bill Increases  
 NW Natural Other Schedules Bill Impacts (Red) indicates negative numbers.

		Other Schedule Bill Impacts					
NW Natural	Rate Schedule	Average Therms /Month	Customer Charge \$	Current Monthly Bill \$	Proposed Monthly Bill \$	Change Monthly Bill \$	% Change Monthly Bill
<b>January</b>							
Commercial	3C	596	\$15.00	\$663.65	\$633.28	(\$30.37)	-4.6%
Industrial	31ISF	5,430	\$325.00	\$4,277.96	\$4,064.05	(\$213.91)	-5.0%
Interruptible	32ISI	42,594	\$675.00	\$25,064.57	\$23,486.40	(\$1,578.17)	-6.3%
NW Natural	Rate Schedule	Annual Therms /Month	Customer Charge \$	Current Monthly Bill \$	Proposed Monthly Bill \$	Change Monthly Bill \$	% Change Monthly Bill
<b>Annual / Monthly</b>							
Commercial	3C	251	\$15.00	\$287.97	\$275.19	(\$12.78)	-4.4%
Industrial	31ISF	5,430	\$325.00	\$4,277.96	\$4,064.05	(\$213.91)	-5.0%
Interruptible	32ISI	42,594	\$675.00	\$25,064.57	\$23,486.40	(\$1,578.17)	-6.3%